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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Outgoing

C0070039

#3857

OK

June 28, 2011

Erwin Sass, General Manager
Canyon Fuel Company, LLC
P.O. Box 1029
Wellington, Utah 84542

Subject: Refuse Pile Amendment, Canyon Fuel Company, LLC, Dugout Canyon Mine,
C/007/0039, Task #3857

Dear Mr. Sass:

The Division has reviewed your application to approve waste from an AML project outside the permit area be disposed at the refuse pile site.

The Division has determined that there are some deficiencies that must be addressed before a determination can be made that the requirements of the R645 Coal Mining Rules have been met, and an approval can be granted. Those deficiencies are listed as an attachment to this letter.

Each deficiency identifies its author by that author's initials in parentheses, such that your staff can directly communicate with that individual should any questions arise relative to the preparation of Canyon Fuel Company's response to that particular deficiency.

The plans as submitted are denied. Please resubmit the entire application.

Sincerely,

James D. Smith
Permit Supervisor

JDS/sqs
Attachment
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Deficiency List
Task No. 3857
Refuse Pile Amendment

The members of the review team include the following individuals:

Priscilla Burton (PB)

R645-301- 514.230, Please provide the most recent certified inspection report for the refuse pile, including a statement of remaining capacity in the refuse pile on the date of the inspection. (PB)

R645-301-536.510, In order to relate yardage to tonnage, the application must include an analysis of the density of the AML waste, such that the tonnage capacity of the AML waste may be determined and related to the remaining capacity reported by the professional engineer in the certified inspection reports. If an analysis is not available, please provide an estimate to be used to calculate tonnage. (PB)

R645-301-553.300, For the purposes of testing the waste, the Division's topsoil and overburden guidelines is referenced on page 5-18 of RA Chap. 5. The reference statement should be updated to read: "These samples will be analyzed for the parameters listed in Tables 3 & 7 of the Division's 2008 Topsoil and Overburden Guidelines." Please strike the reference to Leatherwood and Duce, 1988. (PB)

R645-301-121.200 and R645-301-521.165 and R645-301-232.200 and R645-301-232.600, RA Attachment 2-2 states that an additional 5,400 yd of subsoil may be excavated from the Northwest portion of the site. Is this salvage still planned? Will this be accomplished prior to placement of the AML waste? To answer these questions, please provide a more recent topography, showing the footprint of the refuse pile, because the 2003 As-Built referenced in Section 512.100 and final topography shown on RA Plate 5-1 provide little information on the current configuration of the pile, but the March 2010 certified inspection report states, "The deposition of refuse material is continuing to encroach into new area." (PB)

R645-301-553.252, With regard to reduced borrow cover, RA-Attachment 2-2 must state that refuse analysis will be monitored to assure that acid/toxic material is buried in the fill and only waste rock determined by analysis to be suitable will be mixed with substitute topsoil to provide cover. Should testing of the waste indicate that the final lift is acid/toxic forming, then four feet of cover will be required. (PB)